

## **REMARKS**

### **Summary of the Office Action**

Claims 23-28, 31-34 and 36-40 have been rejected under 35 U.S.C. §102(b) as being anticipated by Shavit, et al. (U.S. Patent No. 4,799,156, hereinafter simply referred to as Shavit).

Claims 29 and 30 have been rejected under 35 U.S.C. §103(a) as being unpatentable over Shavit in view of Sandber-Diment (U.S. Patent No. 5,826,245, hereinafter simply referred to as Sandber).

Claim 35 has been rejected under 35 U.S.C. §103(a) as being unpatentable over Shavit in view of Weiss (U.S. Patent No. 5,657,388).

### **Summary of the Amendments to the Claims**

Claim 23 is currently amended.

Claims 25 and 37 have been cancelled without prejudice or disclaimer of the subject matter contained therein.

New claims 41 and 42 have been added.

### **The Shavit Reference**

Shavit is directed to creating an artificial industry-based market place whereby distributors, buyers and other market participants in a particular industry can meet and interactively transact business. Unlike the current application, the participants transacting together are concurrently logged-in to the system to access one another's data. Essentially, the Shavit system merely acts as a conduit to connect respective parties that wish to transact business together by providing an electronic mail system that distributes mail messages (e.g., orders, bids, delivery advisories, etc.) to the respective parties. The transaction details are negotiated between the participants themselves. In effect, the Shavit system is not processing the transaction at all, but rather, is merely passing messages back and forth. On the contrary, in the present application, the transaction is actually processed by the coordinating entity/system, i.e., it authenticates the buyer, establishes transaction fulfillment data, authorizes completion of the transaction, etc.

Generally, the rejections based on Shavit are traversed at least inasmuch as Shavit fails to anticipate the claimed subject matter. The Manual of Patent Examining

Procedure (MPEP) is instructive on this point. According to MPEP §2131, to anticipate a claim under 35 U.S.C. §102, "the **reference must teach every** element of the claim" and "the **identical invention must be shown in as complete detail** as is contained in the ... claim" and "the **elements must be arranged as required** by the claim." [Emphasis added and citations omitted]. Importantly, the claimed elements are not arranged as required. Applicant notes that the Office Action takes unrelated passages out of context from various diverse parts of the reference and recombines them in an attempt to read on the claimed invention. The reference simply does not contemplate such a random reconstruction of its elements. Note, in rejecting the claims, seemingly unrelated text is cite from all over the reference. For example, the Office Action provides an impermissible piecemeal rejection of claim 23 by citing to various disconnected and unrelated passages of text which allegedly disclose the claimed elements/steps. That is to say, the Office Action alleges that col. 6, lines 36-39 teaches one element; while col. 9, line 60 though col. 10, line 15, teaches another; col. 14, lines 28-33 teaches yet another; col. 13, lines 35-50 teaches still another element; and, so on. Clearly, the Office Action is impermissible rearranging the teachings of Shavit to meet the claims in a way not contemplated by the reference. Shavit simply does not teach the claimed invention, because it is not directed to the same type of claimed transaction processing application, but is rather directed to merely creating an artificial market place.

#### **Present Claims Distinguish Patentably over the Prior Art**

Shavit fails to anticipate currently amended independent claim 23 insomuch as Shavit does not explicitly teach or fairly suggest all of the claimed elements. For example, claim 23 calls for "receiving a purchase request of a buyer from the participating entity indicating that the buyer desires to carry out a transaction with the entity, said transaction including the buyer purchasing one or more selected items." The Office Action cites col. 6, lines 36-39 as disclosing this element. However, the cited passage teaches nothing of the sort. Rather, the cited text merely states that "a distributor may offer its customer an interactive, convenient and consistent way to place orders or conduct any other business with the distributor." Notably, in Shivat, it never expressly taught that the IMM 50 receives a purchase request from a distributor or selling party. Purchase orders are apparently delivered from subscribing buyers to distributors. They are not received by the system 50. Moreover, the purchase orders are

placed by the subscribing buyer. Accordingly, if the system 50, where to receive them from anyone, it would be the subscribing buyer, not the entity or seller filling the order.

Claim 23 calls for "authenticating the buyer as the financial account holder." Shavit also fails to expressly teach or fairly suggest this feature. The Office Action cites col. 9, line 60 through col. 10, line 15 as disclosing this feature. However, the cited text does not disclose the claimed authentication. The cited passage merely describes how a subscribing user logs-in to and access the system 50. Nowhere does it even suggest that the subscribing user is authenticated as the holder of any kind of financial account as claimed.

Claim 23 further calls for "establishing transaction fulfillment data, said transaction fulfillment data indicating a delivery destination for the selected items, wherein establishing the transaction fulfillment data includes using a previously obtained destination as the delivery destination for the selected items when an alternate destination is not obtained." Again, Shavit fails to disclose this element/step. The Office Action cites col. 14, lines 28-33 as disclosing this element/step. However, the cited text does not disclose the claimed establishment of transaction fulfillment data. The cited text reads, "The distributor normally delivers an order to the buy's site, however, it is possible to take delivery in the distributor's, the agent's, or the manufacturer's warehouse. The system, therefore, provides extensive services to allow reservation and control of freight services." Nowhere does this passage suggest that the system 50 establishes any transaction fulfillment data. It only suggests that the delivery site may be at a number of exemplary locations other than the buy's site, and that a mechanism is provided to select the delivery location. This does not mean that the system 50 is establishing the transaction data as claimed.

Additionally, claim 23 calls for "receiving transaction details from the participating entity, said transaction details including a cost for the selected items; authorizing completion of the transaction and establishing an authorization code therefor; and, communicating the authorization code for the transaction to the participating entity." The Office Action cites col. 13, lines 35-50 as teaching the foregoing. In fact, however, the cited passage does not teach this. In particular, the text discloses that a distributor and buyer negotiate a purchase agreement fixing a price for goods. The terms of the agreement, and hence the transaction, is therefore authorized by the seller. The system 50 does not authorize completion of the transaction as claimed. In fact, nowhere is an authorization code even mentioned.

Accordingly, upon closer inspection, it is apparent, that claim 23 defines patentably over Shavit, along with claims 24 and 36 that depend therefrom.

Independent claims 26, 31, 32 and 41 contain one or more features similar to those discussed with respect to claim 23. Therefore, they likewise define patentably over Shavit, along with claims 27-30, 33-35, 38, 39, 40 and 42 that depend therefrom.

Claim 26 calls for "obtaining restriction instructions from account holders" and claim 28 recites "wherein said restriction instructions block authorizing the completion of recurring transactions which are not separately participated in by the account hold from whom the restriction instructions were obtained." Shavit teaches no such feature. The Office Action cites col. 6, lines 52-68 as disclosing the claimed subject matter. However, this passage has nothing to do with restricting automatically recurring transactions. In fact, the cited text make no mention of obtaining restriction instructions or blocking the completion of any transactions. Accordingly, claim 26 further defines patentably over the reference along with the claims depending therefrom, and in particular claim 28.

Claim 31 calls for authorizing completion of the transaction and establishing an authorization code to include "transmitting the transaction details of the authenticated account holder directly to a funding source which determines if the account holder has one of sufficient funds on deposit with the funding source or sufficient credit available through the funding source to cover the cost of the purchase; and, receiving the authorization code from the funding source." Contrary to the allegation in the Office Action, Shavit also fails to expressly teach this feature. Nevertheless, col. 26, line 29 through col. 27, line 30 is cited as disclosing this feature. However, the cited text merely describes a "procurement process" that "permits the buyer to instruct its bank to pay a bill or group of bills to a distributor or other payees, based on agreements between the buyer, the payee and the buyer's bank." Again, the transaction is carried out by the parties themselves based upon a predetermined agreement, and there is no mention at all of any authorization code. This is not what is being claimed. Accordingly, claim 31 further defines patentably over the reference along with claim 39 depending therefrom.

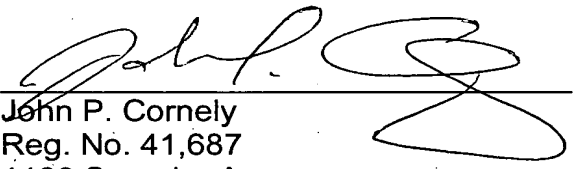
### **CONCLUSION**

All outstanding objections and/or rejections having been addressed, the application presently stands in condition for allowance. Accordingly, an early indication of the same is earnestly solicited. Alternatively, in the interests of advancing this application to issue and compact prosecution, the Applicant respectfully requests that

the Examiner telephone the undersigned if the Examiner feels personal contact would be advantageous to the disposition of this case.

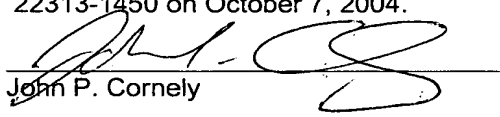
Respectfully submitted,

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**Certificate of Mailing**

I hereby certify that this ***Amendment B*** in connection with ***Application Serial No. 09/488,297*** is being deposited with the United States Postal Service with sufficient postage as first class mail in an envelope addressed to: Mail Stop Amendment, Commissioner for Patents, P. O. Box 1450, Alexandria, VA 22313-1450 on October 7, 2004.

  
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John P. Cornely